

Schedule "C"

NOTICE OF SETTLEMENT OF PAYDAY LOAN CLASS ACTION AGAINST THE CASH STORE INC./RENTCASH INC.

Read this notice carefully as it may affect your legal rights.

PURPOSE OF THIS NOTICE

This notice is to all persons in Canada who borrowed money as a payday loan from a Cash Store or Instalans location in Manitoba, New Brunswick, Newfoundland, Nova Scotia, Northwest Territories, Ontario, Prince Edward Island, Saskatchewan or the Yukon on or before December 2, 2008, and who have repaid the payday loan and the standard broker fee charged by The Cash Store or Instalans.

In 2004, the plaintiff commenced a proposed class proceeding against The Cash Store Inc. and Rentcash Inc. in the Ontario Superior Court of Justice, court file #04-12118CP. The plaintiff alleges that the defendants' broker fees charged constitute interest as defined by and for the purposes of section 347 of the *Criminal Code of Canada*.

On December 2, 2008, Mr. Justice Cullity approved the settlement of this class action. The defendants do not admit any liability on their part. The settlement is a compromise of disputed claims.

TERMS OF THE PROPOSED SETTLEMENT

The defendants agree to establish a Settlement Fund of \$3,000,000.00 consisting of \$1,500,000.00 in cash and \$1,500,000.00 in vouchers.

The vouchers are valid to pay future brokerage fees or for the repayment of an existing outstanding brokerage fee at The Cash Store or Instalans. The vouchers have no expiry date and are fully transferrable, but are not redeemable for cash.

Each Class Member submitting a claim will be paid his/her *pro-rata* share of the Settlement Fund on the basis of the percentage that the brokerage fees charged to the Class Member are of the total amount of brokerage fees charged to all Class Members. The payment to each Class Member submitting a claim will be made half in cash and half by vouchers.

The defendants agree to a Minimum Settlement Amount of \$1,500,000.00, consisting of \$750,000.00 and \$750,000.00 in vouchers.

In the event that the total claims of Class Members payable are less than the Minimum Settlement Amount of \$1,500,000.00, the difference between the total claims and the Minimum Settlement Amount shall be distributed as follows:

- (a) With respect to the cash portion of the difference:
1. *Pro-rata* to Class Members who submitted a claim up to 33.33% of the brokerage fees charged to Class Members; and
 2. If there remains any unallocated cash difference, payment of that unallocated amount to Credit Counseling Canada; and
- (b) With respect to the voucher portion of the difference, *pro-rata* distribution to Class Members submitting a claim, without any limit.

Any unclaimed portion of the Settlement Fund over the Minimum Settlement Amount will revert to the defendants.

Complete information on the settlement including the Judgment and the Distribution Plan may be found at www.classactionlaw.ca.

Class Members who consider it desirable or necessary to seek the advice and guidance of their own lawyer may do so at their own expense.

TO MAKE A CLAIM FOR COMPENSATION

To receive compensation under this settlement, each Class Member must submit a Claim Form on or before **June 30, 2009**.

- (a) by mail to: The Cash Store Financial
P.O. Box 566
12222-137 Avenue
Edmonton, Alberta
T5L 4X5
- (b) by fax to: 1-780-452-4670

A Claim Form will be delivered concurrently with the mailing of this Notice to Class Members who have been identified to their last known address. The Claim Form is also available at www.classactionlaw.ca.

Class Members must submit a Claim Form to the defendants on or before June 30, 2009 to receive compensation under this settlement. Failure to submit a Claim Form on or before June 30, 2009 will eliminate all rights to claim/receive settlement compensation.

TO OPT-OUT OF THE CLASS ACTION

Any Class Member who does not wish to participate in the settlement must opt-out of the class action by sending a written opt-out notice on or before June 30, 2009:

- (c) by mail to: Nicholas Mastroluisi, C.A.,
Pettinelli, Mastroluisi LLP
6th Floor, 1 James Street South
Hamilton, Ontario
L8P 4R5
- (d) by fax to: 905-522-6574
- (e) by e-mail to: nickm@petmas.ca

The written opt-out notice must be signed by the Class Member or his/her authorized representative and include the Class Member's name, birth date, address, telephone number, and the statement that he/she is opting-out of the class action.

All Class Members who do not opt-out will be bound by the terms of the settlement and will not be able to bring or maintain another lawsuit against the defendants relating to payday loan transactions to the date of settlement. You must opt-out if you wish to proceed with individual legal action.

Do not opt-out if you wish to share in the compensation under this settlement.

CLASS COUNSEL FEES

As part of the settlement, the Court approved Class Counsel fees in the amount of \$500,000.00 inclusive of disbursements and GST to be paid by the defendants in addition to the Settlement Fund.

ADDITIONAL INFORMATION

Questions for Class Counsel should be directed by telephone or in writing as follows:

DAVID THOMPSON
Scarfone Hawkins LLP
Barristers and Solicitors
One James Street South, 14th Floor
P.O. Box 926
Hamilton, Ontario
L8N 3P9

905-523-1333, extension 238
or by fax to: 905-523-5878
or by email to: adobson@shlaw.ca

Information regarding the settlement can be found at www.classactionlaw.ca